

# IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

[www.irs.gov/newsroom](http://www.irs.gov/newsroom)

Public Contact: 800.829.1040

## IRS Issues Fall 2006 Statistics of Income Bulletin

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WASHINGTON — The Internal Revenue Service today announced the release of the Fall 2006 issue of the Statistics of Income Bulletin.

The Bulletin contains a detailed look at the 132.2 million individual income tax returns filed for tax year 2004, an increase from the 130.4 million returns filed for tax year 2003. The adjusted gross income (AGI) less deficit reported on these returns totaled \$6.8 trillion, while taxable income totaled \$4.7 trillion.

In addition, the Bulletin contains six other articles with the following information:

- For 2003, all business filings by corporations (C corporations and S corporations), partnerships and nonfarm sole proprietorships grew by nearly 1.1 million to 27.5 million. Nonfarm sole proprietorships displayed the largest increase in number of filings, 784.6 thousand, from 18.9 million in 2002 to 19.7 million in 2003. For the first time, data for limited liability corporations (LLCs) reporting as partnerships and nonfarm sole proprietorships have been combined. LLCs are a rapidly increasing entity type, representing nearly 46 percent of all partnership filings and 1.1 percent of all nonfarm sole proprietorships.
- For 2004, the number of partnerships increased 7.2 percent to 2,546,877. Since 1994, the number of partnerships has increased at an average annual rate of 5.1 percent. Total partnership net income (loss) increased by 27.7 percent to \$384.7 billion for 2004. Partnerships classified in finance and insurance accounted for 36.5 percent of this increase. Total assets of partnerships reporting balance sheets increased 20 percent, to \$11.6 trillion for 2004. For the third consecutive year, the number of limited liability companies surpassed all other entity types, including the number of general partnerships, which had been the leader for decades, increasing 16.4 percent to 1,270,236, about 49.9 percent of all partnerships.
- The number of domestic private foundations that filed Form 990-PF for tax year 2003 increased by 4.2 percent to 76,348. After declining during tax years 2001 and 2002, the fair market value of total assets increased by 15 percent for tax year 2003. After declining for 3 consecutive tax years, revenue received also increased, with foundations reporting 74.2 percent more revenue in tax year 2003 than 2002. Although exempt from income tax, for tax year 2003, domestic private foundations reported nearly \$332.6 million in excise tax liability.

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- For tax year 2003, nonprofit charitable organizations exempt from income tax under Internal Revenue Code section 501(c)(3) filed over 263,000 information returns, an increase of 5 percent from the previous year. These organizations held nearly \$1.9 trillion in assets, an increase of 10 percent from 2002, and reported \$1.1 trillion in revenue, 70 percent of which came from program services and activities.
- State and local governmental units issued over \$872 billion of tax-exempt bonds during 2003 and 2004. A total of \$354 billion of governmental bonds were issued in 2003, the highest issuance volume to date and a 4.1 percent increase over 2002. For 2004, governmental bond issuance fell to \$330.4 billion. A total of \$94 billion of tax-exempt private activity bonds were issued in 2003 and 2004, which represented no significant change over the \$93 billion issued in 2002. For 2003 and 2004, more than 70 percent of tax-exempt private activity bond proceeds were attributable to qualified mortgage bonds, residential rental bonds and bonds issued to benefit Internal Revenue Code section 501(c)(3) tax-exempt organizations.
- The final Bulletin article shows that, for tax year 2002, U.S. corporations claimed \$42.4 billion in foreign tax credits. Corporations that claimed a foreign tax credit paid \$121.5 billion in worldwide income taxes on \$343.9 billion in worldwide income. Of these amounts, 34.1 percent (\$41.5 million) of the taxes and 46.8 percent (\$160.9 million) of the income were derived from foreign sources.

The Bulletin includes historical data on income, deductions and tax reported on returns filed by individuals, corporations and unincorporated businesses, with selected data presented for estates. Statistics are also presented on tax collections, including excise taxes by type, and refunds for recent years.

The Statistics of Income Bulletin is available from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. The annual subscription rate is \$53 (\$74.20 foreign). Single issues cost \$39 (\$48.75 foreign).

For more information about these data, write the Director, Statistics of Income (SOI) Division, RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608; call the SOI Statistical Information Services office at (202) 874-0410; or fax to (202) 874-0964. To access the Fall 2006 Statistics of Income Bulletin, visit the IRS Web site at [www.irs.gov](http://www.irs.gov) and click on "Tax Stats" under "Information About." From the Tax Stats page, select "SOI Bulletins" under "Products, Publications, and Papers."